

## CITY OF MILPITAS

**Minutes of: CITY COUNCIL (FINANCE) SUBCOMMITTEE**  
**Date/Time: Wednesday, November 15, 2006 – 4:00 p.m.**

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**I. CALL TO ORDER:** Vice-Mayor Gomez called the meeting to order at 4:10 pm

Attendance:

City Council: Vice-Mayor Armando Gomez, Council Member Debbie Giordano  
Staff: Emma Karlen, Jane Corpus, Clare Frank, Carmen Valdez, Bonnie Greiner,  
Kathleen Yurchak, Greg Armendariz, Marilyn Nickel, Steve Smith

**II. CITIZENS FORUM:**

No Comments.

**III. APPROVAL of MINUTES:** The September 5, 2006 minutes were reviewed and approved.

**IV. ITEMS FOR DISCUSSION**

**A. S.C.C. Partnership for School Readiness Contribution Request**

**Lori Burns, with S.C.C. Partnership for School Readiness** – Ms. Burns presented to staff information on the program: The partnership is a collaboration of about 20 public and private non-profit funders for early childhood programs in the county. The partnership has been gathering data for about three years towards a study to determine whether children are ready or not for school and how their families contribute in preparing the child for school.

The Partnership has gathered a good profile of the skills children take to school, and now the goal is to work on how the data will be used towards concrete recommendations to more strategically invest in early childhood education. The organization is requesting the continued assistance from the City of Milpitas.

**Vice-Mayor Gomez and Council Member Giordano** – The contribution request was approved for \$10,000 and the request will need to go to Council for final approval. Funds will come out of the Council's promotion budget.

**B. Preschool Program Employee Survey**

**Chrissy Rodriguez-Vigil, Preschool Coordinator** – The City's preschool program currently has 132 children enrolled with 163 on a waiting list. The caliber of instruction is very high and equivalent to a kindergarten preparedness program. The instructors need to have taken a minimum of 12 ECE units, have experience and need to be a good fit within the classroom.

There is a problem retaining qualified instructors due to: 1) the salary is not competitive, 2) positions are part-time/temporary without benefits, 3) the instructors are limited to work no more than 999 hours in a calendar year, resulting in letting the current ones go and recruiting new instructors. Since April 2006 the program has lost seven teachers, and clerical staff is being used to backfill the vacancies in order not to cancel classes

The City's preschool program charges the lowest compared to other preschools in the area of Milpitas. Fees may need to be adjusted in order to be more competitive. As of January 1, 2007 three classes will need to be cancelled that will impact 48 children.

Recreation staff made the following requests: 1) \$50,000 is needed to fill instructor voids without cancelling current programs. 2) Re-title the positions from Recreation Leader I, II, III, IV to Preschool Aide / Preschool Instructor. 3) Make salary adjustments as recommended in the memo to staff. 4) Be able to retain instructors beyond the 999 hour limit.

**Vice-Mayor Gomez and Council Member Giordano – 1) According to PERS restrictions, the positions need to remain part-time/temporary, not working more than the 999 hours per fiscal year. 2) It was agreed to keep the preschool program operating through the end of this budget year (June 2007) by allocating the required \$50,000. 3) The \$50,000 will need to come out of the City's reserve. 4) Recreation staff will prepare to go to Council on December 5<sup>th</sup> with these recommendations. 5) Pending approval, salaries will be adjusted.**

**If the recommendations are approved, then within the next 30-60 days, Recreation staff will prepare and present to the Finance Subcommittee a full program review outlining: who is using the program, how many are on the waiting list, cost recovery analysis, necessary fee changes, etc. Following the evaluation of this program, full-time benefited positions may be justified for the next budget cycle.**

#### **C. Emergency Preparedness – Fire Department Report**

**Clare Frank, Fire Chief** – There is expressed concern from a citizen group about reduced CPR training as part of disaster preparedness provided by the Fire Department. Due to budget restraints one temporary position was eliminated resulting in less staff time and less available funding. Therefore, CPR training for citizens is not being offered at this time. It will be included in the planning work session for consideration in the next fiscal year proposed budget.

#### **D. Back Flow Prevention Program**

**Greg Armendariz, City Engineer** – There are around 1700 backflow devices throughout the city for such things as non-residential irrigation systems and selected fire service meters that serve three or more dwellings. Backflow devices are used as a safeguard to prevent water from reversing and going back into the City's main water system. Thus, the City has the responsibility to ensure our drinking water is safe from contamination.

State regulatory agencies govern our system and how we operate and maintain it. We are required to have all backflow devices tested annually. Currently we rely on the customer to follow through with the annual testing. However, we don't receive 100% of testing results from customers and a lot of time and effort is spent going after the customer to get the testing completed. The testing quality from an agency and consistency is a concern.

The proposed change would be to revamp the present testing procedure so that the City has full control of testing all devices throughout the city. The current municipal code provides us the authority to have this control. About 20 – 25 years ago when the City was much smaller we used to do the testing, and then we switched to the current procedure. There would have to be a cost analysis to make sure we comply with Proposition 218 to ensure we do not generate excess revenue. The program would be cost recovery only.

An appropriate billing process will be developed with a notification procedure to customers and testers. Any necessary modifications to the City's Municipal Code will be recommended. City personnel would perform the testing at the customer's expense. It is estimated that one full-time person will be needed to perform the testing, and with this changeover there would be a reduction in current Engineering staff time. This proposal will need to go through a public hearing process.

The proposed timeline is -- following the appropriate customer outreach, in the spring the fee structure will be rolled into our water and sewer rate structure and testing will be implemented in July 2007.

**Vice-Mayor Gomez and Council Member Giordano – Approved the recommendation to proceed with the backflow prevention program review.**

#### **E. Cost Allocation Study**

**Emma Karlen, Director of Financial Services** – The Finance Department conducted an in-house cost allocation study. Through this effort we will be able to show what the full cost is of conducting business to be able to allocate costs to various City services along with any other administrative costs. About 10 years ago the City conducted a cost allocation plan. Since then, we have been using this outdated cost allocation plan. When we schedule the budget workshop for the Council for next fiscal year, the study will help us to determine which programs are cost effective. Within the next couple of months the new study will be finalized and presented to Council.

**V. OTHER BUSINESS – None**

**VI. NEXT MEETING – Wednesday, January 3, 2007 at 4:00 pm**

**VII. ADJOURNMENT**